

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 3, 2013**

**TO:** Honorable Royce West, Chair, Senate Committee on Jurisprudence

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE:** SB1146 by West (Relating to the establishment of the statewide electronic filing system fund and to certain court fees and court costs to fund the account; imposing fees.),  
**Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1146, Committee Report 1st House, Substituted: a negative impact of (\$5,542,000) through the biennium ending August 31, 2015.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2014	(\$2,771,000)
2015	(\$2,771,000)
2016	(\$2,771,000)
2017	(\$2,771,000)
2018	(\$2,771,000)

**All Funds, Five-Year Impact:**

Fiscal Year	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>New General Revenue Dedicated Statewide Electronic Filing System Account</i>	Probable Revenue Gain/(Loss) from <i>New General Revenue Dedicated Statewide Electronic Filing System Account</i>
2014	(\$2,771,000)	(\$15,354,000)	\$15,354,000
2015	(\$2,771,000)	(\$15,354,000)	\$15,354,000
2016	(\$2,771,000)	(\$15,354,000)	\$15,354,000
2017	(\$2,771,000)	(\$15,354,000)	\$15,354,000
2018	(\$2,771,000)	(\$15,354,000)	\$15,354,000

## **Fiscal Analysis**

The bill would amend the Government Code, Chapter 51 to create a \$20 filing fee for civil cases at the probate, county, and district courts and Supreme Court. The bill would create a \$5 filing fee for civil cases at the justice courts. The bill would also create a \$5 court cost for criminal convictions from the county and district courts. The bill would permit a judge to waive these fees if the individual is indigent. The bill would require the counties to remit the entire fee to the state and require the Comptroller of Public Accounts to deposit the fees to a Statewide Electronic Filing Fund as an account within the General Revenue Fund that can be appropriated to the Office of Court Administration and the Supreme Court for an electronic filing system.

Since revenue deposited into the new account consists of fees on civil cases, the Comptroller of Public Accounts may construe use of balances in the account for non-court related purposes as a potential violation of the open courts provision of the Texas Constitution (Art. I, Sec. 13).

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature. The bill would take effect September 1, 2013.

## **Methodology**

The Comptroller of Public Accounts (CPA) indicated a state revenue to General Revenue-Dedicated funds from the civil and criminal fees created by the bill of \$15.4 million per fiscal year. The agency uses criminal convictions and civil case statistics from the Office of Court Administration as the basis of its estimate.

For the \$5 criminal court cost, the agencies multiply the number of convictions by the fee amounts and an estimated collection rate. The OCA uses an estimated 40 percent for county and district courts. The agency reported 516,639 convictions in county and district with \$1,033,278 in state revenue anticipated for per fiscal year.

For the filing fees for civil cases, utilizing historical revenue collections in a similar civil filing fee, the OCA estimates that there would be approximately 418,209 filing events in the justice courts that incur the \$5 civil filing fee. The agency estimates that there would be 591,047 filing events in the county, district and appellate courts, including the Supreme Court, that incur the \$20 civil filing fee.

The OCA signed a new contract for an electronic filing system in November 2012, with full rollout scheduled in 2013. Additionally, the Supreme Court has mandated electronic filing for civil cases with a staggered implementation by the courts beginning in January 2014. The OCA estimates per fiscal year costs for the new system of \$18.1 million. It is assumed for this analysis that the \$15.4 million in revenue from the fees proposed by the bill would be appropriated for these costs and any difference would be funded by General Revenue Funds.

The CPA indicates that there would be costs associated with implementation of the bill. It is assumed the costs could be absorbed within current resources.

## **Local Government Impact**

Local governments do not retain any portion of the proposed fees. However, the bill allows money from the fund to be used to provide grants to counties to implement components of the e filing project. There would be an indeterminate positive fiscal impact to counties that receive grant funding, but this would vary depending on how and where grant funding is distributed.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 304  
Comptroller of Public Accounts

**LBB Staff:** UP, JJO, CL, ZS, JP, AM, TB, KKR